GOVERNMENT OF INDIA
SHIPPING
LOK SABHA

UNSTARRED QUESTION NO:1473
ANSWERED ON:24.07.2002
TRANSPORTATION OF GOODS
MANSUKHBHAI D. VASAVA

Will the Minister of SHIPPING be pleased to state:

(a) whether transportation of goods through Indian ships is continuously decreasing.

(b) if so, the targets fixed and the achievement made in this regard during each of the last three years;

(c) the reasons for decline; and

(d) the steps taken by Government to increase the transportation of goods through Indian ships?

Answer

MINISTER OF SHIPPING (SHRI VEDPRAKASH P. GOYAL)

(a)&(b): No, Sir. The total share of India`s Overseas Trade has not been declining, however, the percentage of share of cargo carried by Indian Ships in India`s Overseas Trade during 1999-2000 particularly in general cargo has declined as compared to the figure of 1998-99. No physical target is fixed by Government since transportation can be done on any ship. The quantity carried and percentage of Indian share for the last three years are as under:

(in million tonnes)

Year	General Cargo (Indian Lines) (Indian and Foreign Lines)	Dry Bulk Cargo	POL& Products	Total	Total
1997-1998	6.52(12.4%)	10.98(14.4%)	46.03(62.3%)	63.53(31.4%)	202.44
1998-1999	6.99 (14.3%)	11.18(15.2%)	44.44(55.1%)	62.61(30.8%)	203.67
1999-2000	2.94(7.3%)	11.95(14.4%)	55.96(55%)	70.85(31.5%)	224.62

(c)&(d): The main reason for the above is stagnation in the growth of Indian fleet during the 9th Plan period. The Government have taken the following measures during 9th Plan period to facilitate growth of Indian fleet and also to assist in increasing the share of cargo carried by Indian ships:

- Restoration of Section 33 AC of the Income Tax Act from 50% to 100% tax relief on amounts earmarked for vessel acquisition in separate reserve account.

- Increase in depreciation rate from 20% to 25%.

- Necessary amendments in Exim policy to rectify the anomoly of categorizing acquisition of second hand vessels as capital goods, which necessitated procuring of special import licence for the purpose.

- Allowing 100% foreign direct investment in the field of shipping.

- Expanding the scope of Section 33AC to stimulate Indian ship owners to earmark higher funds for acquisition of tonnage. Further, to make this section more attractive for Indian ship owners, Government has decided to allow deduction of funds transferred under Section 33AC while computing book profits for the purpose of Minimum Alternate Tax.